

STATE OF THE STATE ADDRESS
Governor Olene S. Walker
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Back to Basics for the Future

President Mansell, Speaker Stephens, Minority Leaders Dmitrich and Goodfellow, Senators and Representatives, Chief Justice Durham and Supreme Court Justices, Lt. Governor McKeachnie, distinguished guests and my fellow Utahns, it is my pleasure to greet you this evening.

My friends, it is truly an honor to serve as your governor. Thank you for the generous offerings of friendship and encouragement so many of you have given me.

I reflect warmly on the years I sat in this Chamber as a legislator. I understand the process and the great obligation legislators have in passing laws and formulating a budget that will benefit the citizens of our great state.

As a state, we have weathered three years of tough economic times and have had to face challenging budget decisions. To this point, we have fared well. However, as we look toward the future, it is apparent we must ensure a strong foundation for the 21st century. I suggest we begin with the basics.

What are those basics? A conservative, realistic budget. Strong initiatives that focus on the basic needs of our citizens. And an innovative yet basic vision for tomorrow. Using these basics as building blocks, we will be offering a sound future for generations to come.

As I explained when I submitted my budget recommendations to the Legislature, I am committed to the following three priorities:

First, we must keep our Triple A bond rating. Why is this important? Simply because it not only saves the State of Utah, but also school districts, millions of dollars. To illustrate this, in June we issued \$407 million in bonds and got the remarkable rate of 2.83 percent. At the same time California, because of its credit problems, issued bonds at a rate of 3.86 percent. Comparing the two rates, the savings to our state over the 15-year life of the bonds will be \$39,333,900.87!

To preserve that rating, we must limit our bonding, add to our reserves and bring balance to our budget by ensuring that we have sufficient resources to meet our basic obligations.

Second, it is also important that we retain our state and education employees. Too often, after we invest in their training and development, we lose some of our most capable people. I keep hearing, "I would love to stay, but this county or that city is making me an offer I can't refuse." It has been two years since state employees have had a raise. We must find a way to give them a modest 2 percent salary increase.

Third, maintaining quality education in our state is essential. Education is the basis for our future prosperity, and it is a key to individual success. I challenge the public, educators and business leaders to become an active part of the solution. Utah has a tradition of valuing education. Even though we are at the very bottom in spending per student, we have always been near the top in outcome.

That is changing. Our student test scores have declined. For example, the national “Quality Counts” report – referred to as the “states’ report card on education” – shows Utah students scoring seven points below the national average in writing. How can Utah businesses succeed if we don’t supply them with highly-skilled workers? How can our economy prosper? And, more importantly, what does this portend for the personal success of our students who will come out of the system? We are now 40 percent below the national average in per student funding. How far must we slip before we take action?

My budget recommendation for education has three main components. First, the modest salary increase for educators I just mentioned.

Second is simply an increase to cover the costs of additional students entering the system. In the past 10 years, 17,000 additional students entered our public school system. Next year alone, we expect 7,160 additional students. In other words, nearly half the total number of the last 10 years. One-hundred and forty-five thousand additional students are expected to start through our system in the next 10 years.

To illustrate this dilemma, I would like to introduce you to Kevin Doxey. He recently sent me the letter he had written to the editor of the *Davis County Clipper*:

Have you ever felt like you’re crammed up in a can of sardines? Well, I feel like that about every day now at school. I am a sixth grader at Oak Hills Elementary School, and there are about 33 kids in my portable classroom. Our room is so full, there’s practically no room to walk around.

Allowing class sizes to increase is not the answer to managing our growing student population. We must fund the growth and pay teachers to stay the course.

Education is not just about the number of students and teachers. It is also about the quality of education we provide. The third component of my education recommendation addresses this issue.

We have worked very hard the past two years to develop a plan for competency-based education, called Performance Plus. Although it is full of possibility for increased excellence in the classroom, this plan would have cost \$200 million in new money.

Last summer, teachers, administrators, board members and parents attended five education summits. Their message was that Performance Plus should start in the lower grades, concentrate on one basic area, and be practical in terms of funding. I have addressed each of these imperatives. I am asking not for \$200 million, but for \$30 million in new funding to focus on kindergarten through third grade reading to ensure

that every child can read at grade level. Through third grade, children learn to read. After that, they read to learn – a lifelong necessity!

Can we achieve that aim in Utah? You bet we can! Let me introduce you to Michael, his adoptive mother Sharron and brother Jaden. Michael was 8_ when he was removed from his parents who were addicted to drugs. At the time, they were living in a homeless camp near the Jordan River, without shelter, food or appropriate clothing. Michael often stole food so he and his younger brother could survive. He entered second grade not knowing the alphabet or any of the other basic skills of most kindergartners. At that point, he started a new life. Every day, he spent two to three hours doing remedial work with his teacher and foster mother, who later adopted him. Today as an eighth grader, Michael is a good student and performs at grade level. Other students deserve the same chance.

I am excited so many people are uniting behind my “Read with a Child” initiative. Volunteers at 30 boys and girls clubs statewide are reading for 20 minutes to every young person who enters their doors. During the coming year, you will hear on radio and TV, read in the newspapers, be reminded on billboards and, I hope, hear from your friends: “The most important 20 minutes of your day: Reading with a Child.” I’d like to thank the many people who are working on this program, those who are funding it and those who are already reading with a child.

I also want to report that all of our minority councils – Asian, Native American, Black, Hispanic, Pacific Islander – have committed to make literacy and education their number-one priority for the coming year.

Hand in hand with this effort, over the past 11 years we have worked to improve foster care in our state; but as soon as an individual turns 18, he or she moves out of the foster care system. Statistics show that after two years of independence, 61 percent of these young adults still have not finished high school, 72 percent are unemployed and 60 percent of the young women have given birth. We have been joined by many volunteers in developing a comprehensive program to help these youth become successful adults.

We continue to add to the 164 online state services. Now a person can even buy a fishing license or register a vehicle at 3:00 a.m. Recently, I announced a Web site: Utah Cares. By accessing this site, a person can find assistance relating to food, housing, employment or any other service. In fact, during the holidays this Web site provided assistance to 300 people per day.

By July 1 of this year, we will have a statewide communication network in place. This network ensures that every rural part of the state can communicate with hospitals, emergency centers and urban law enforcement in case of a disaster, public safety threat, power outage or health emergency.

One of the most difficult tasks I’ve announced is the preparation of a total tax reform recommendation, which will be completed by August 1 of this year. I will then ask each of you to seriously consider and help perfect this recommendation. There will be an opportunity for public input. Just thinking about the complexity of our tax system and volatility of our revenues keeps me awake at night. Our tax reform efforts must make

Utah business-friendly. A 21st century government needs a 21st century tax system. Utah needs tax reform!

Along with these considerations for the coming year, we must be good stewards of our environment. I will continue to do all I can to oppose contaminating our beautiful state with spent nuclear fuel rods.

In addition, I have designated 25 watersheds for improvement by the end of the year. Forty-five groups have already adopted a lake or stream. When the snow melts this spring, an army of volunteers will begin work on 25 key watersheds throughout the state. After the snows of December and January, we can hope that these streams and lakes will be filled to capacity!

By the end of April, more than 2,000 fourth-grade students will attend water fairs and be exposed to my watershed initiative. By the end of the year, we hope to reach more than 10,000 fourth graders, thus teaching a younger generation that our watersheds are truly our life sheds.

At the same time, we are intensifying the process of clarifying state and county roads that cross federal public lands. When completed, this effort will settle issues that have long been a source of conflict. We will continue to pursue resolution of other public lands issues. I want to give credit to Lt. Governor Gayle McKeachnie for spearheading this endeavor.

Basic to any of these efforts is the need to strengthen our economy. Our economic picture is brightening, but we still worry about job creation. The stability and strength of Utah families depends on the economic security provided by well-paying jobs. Job creation is just as important for our recently unemployed as it is for future generations.

We need to strengthen, support and build upon the economic assets we already have. We must assist our own companies to grow and expand. To this end, the focus of the Industrial Assistance Fund must be on helping Utah companies that will expand and hire Utahns.

This spring, we will bring the presidents of our colleges and universities together with our business leaders. This critical alliance will explore ways we can better utilize our opportunities to strengthen our universities and our businesses. I have asked our higher education research institutions to work together in developing ideas and in transferring research results to our Utah businesses. New and better processes can be shared in the marketplace. Creative ideas in research will flourish. As a result, Utah businesses win, Utah job seekers win, Utah consumers win.

Further, we will develop a Web site of Utah products to encourage businesses and consumers to “b-u-y, buy Utah!” We will give people a one-stop shop for information needed to start a new business or expand an existing one. We will especially focus on increasing the amount of venture capital available in this state.

We cannot forget another asset that feeds our economy: Our number one economic priority must be to save Hill Air Force Base from another military base downsizing. Hill is the state's largest employer, and we simply must keep it. We will work with our congressional delegation to be the most aggressive state in protecting the jobs of the hard-working military personnel and civilians who work there.

In all of our considerations, the economy of Utah should be viewed as one economy. The health of the whole is always related to the health of the component parts and vice versa. We must work together to strengthen our economy statewide.

Also, we must never forget that the world is still welcome in Utah, and we have to make certain the world knows that.

We have plans in place to enhance the contributions of out-of-state businesses to Utah. For example, with the support of the Outdoor Industry Association, we have organized a task force whose aim is to make Utah *the* global outdoor recreational area. Not only will such an emphasis make our economy stronger, it will also require us to protect those areas of our state that have unique outdoor recreational qualities.

I want to be very clear that together, no one or no state will out-work us, out-smart us or out-hustle us when it comes to increasing the number of good jobs in our state. By working as ambassadors of Utah, we have attracted important growth. For example, technology companies such as Siebel Systems and Cadence Design Systems attest that their move to Utah from Silicon Valley will result in increased job growth. Further, it was recently announced that Malt-O-Meal will expand in Tremonton, bringing 250 more jobs to Utah. At the other end of the state, Orgill, Inc., will create 300 jobs in Hurricane.

Utah, of course, is also part of the expanding global economy. No longer insular or provincial, we have grown up with connections to national and global affairs. We are engaging in international trade, cultural exchange and contributions to science and medicine. Thousands of Utah businesses are involved in international commerce. As the world turns more to the global economy, we need to build our international image and support our businesses in their efforts to be effective players.

We also participate in the global scene by sending our troops, supplies and expertise abroad to bring peace in our time. Utahns are leaving their homes and lives as Americans to try to establish peace in a tattered world.

One of the most emotional experiences I have had since becoming governor is saying a few words to a group of men and women of the Utah National Guard as they left for service in Iraq. I had expected to see young faces. Instead there were many who were fathers, mothers and grandparents. Behind, they leave others to carry on for them. I would like you to meet a mother, Janet Summit, who is holding together a family of 10 children while her husband is serving in the National Guard. I know how difficult it was for them to say goodbye, and I hope that everyone in their home town of Delta will embrace this family. We appreciate all of our men and women who are serving our country and their families. May our troops return home safely to all they love.

I take seriously my responsibility as governor. I hope in all of our decisions and deliberations that we keep in mind we have the responsibility to chart the best course possible, not only for the coming 2005 budget year, but for the future of Utah. I am convinced that we in Utah can meet any challenge with unity and common sense.

To those in this Chamber tonight, the people of the state of Utah have entrusted us to keep them safe, to provide a quality education for our children, to build transportation systems, to provide necessary services and to build the economy. May we always remember the great trust the people of Utah have given us to make thoughtful decisions.

A prayer offered over half a century ago by Dr. Peter Marshall, chaplain in the United States Senate, still has relevance today:

...Save us from hotheads that would lead us to act foolishly, and from cold feet that would keep us from acting at all.

What better time than now to embark on these issues? As citizens and leaders of this state, we have a remarkable opportunity to shape Utah for a productive, prosperous, and positive future.

It begins with us.

It begins with the basics.

It begins now.

May God bless you, America, and this great state!